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RE: Chanhassen Substation and 115 kV Transmission line Project

Dear Sirs:

This letter confirms that the Public Utilities Commission (PUC)¹ has received notification that Great River Energy (GRE) and Minnesota Valley Electric Cooperative (MVEC) propose to seek local review to build a new 115 kV Substation and a one-span section of 115 kV HVTL tapping into an existing GRE 115 kV line. The project would be constructed in the City of Chanhassen in Carver County.

This project falls under the Power Plant Siting Act, Minnesota Statutes § 116C.51-69 and Minnesota Rules Chapter 4400, which requires a permit from the PUC for most transmission line projects over 100 kV. However, for eligible projects, a utility may apply to those local units of government that have jurisdiction over the route for approval to build the project instead of applying to the PUC. The proposed 115 kV substation and transmission project is eligible for local review. [Minnesota Statutes § 116C.576 and Minnesota Rules 4400.5000 subps. 2. C., D.]

GRE and MVEC have indicated that the City of Chanhassen is the only local unit of government with jurisdiction in permitting the project and that a Conditional Use Permit application was submitted to the City on September 2, 2005. A local unit of government may relinquish its jurisdiction by requesting the PUC to assume jurisdiction within 60 days of the filing of an application with the local unit of government. [Minnesota Rules 4400.5000 subp. 4.]

¹ On July 1, 2005, Minnesota Senate File 1368 transferred generation plant siting and transmission line routing authority from the Minnesota Environmental Quality Board to the Public Utilities Commission. EQB routing and siting staff was transferred to the Department of Commerce and continue to manage the application process.

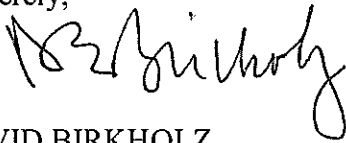
An environmental assessment must be prepared by the local unit of government with jurisdiction over the project. I acknowledge that the City of Chanhassen is the Responsible Government Unit for the Chanhassen Substation and 115 kV Transmission line Project.

Specific requirements with regard to the environmental review process include providing an opportunity for the public to participate in the development of the scope of the environmental assessment before it is prepared; publishing notice in the EQB Monitor of when the assessment is available for review and of the procedure for commenting on the assessment; and withholding a final decision on the project until at least ten days after the notice appears in the EQB Monitor. The City of Chanhassen also must provide a copy of the environmental assessment to the PUC when it is completed. [Minnesota Rules 4400.5000 subp. 5.]

GRE and MVEC have sent the required notice to those persons on the PUC facilities permitting general notification list that a permit has been applied for from the local unit of government. [Minnesota Rules 4400.5000 subp. 3.]

If there are any other questions, please feel free to contact me by phone or email.

Sincerely,



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